



STATE OF DELAWARE

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September 10, 2018

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Pamela Knotts, Regulatory Policy Administrator *PK*

SUBJECT: IN THE MATTER OF THE PROVISION OF STANDARD OFFER SUPPLY TO
RETAIL CONSUMERS IN THE SERVICE TERRITORY OF DELMARVA POWER &
LIGHT COMPANY
(FILED SEPTEMBER 7, 2018) PSC DOCKET NO. 18-1065

On September 7, 2018, Delmarva filed with the Commission documents pertaining to the Request for Proposals and the Full Requirements Service Agreement for Standard Offer Supply (the "Filing") to change dates regarding the upcoming Delmarva 2019 Standard Offer Service ("SOS") procurement cycle and process. This Filing contains documents with Delmarva's proposed changes to the SOS procurement process and includes six exhibits. Exhibit 1 is a summary of the 2019 SOS Procurement Improvement Process proposals. Exhibit 2 is the redlined "Delmarva Power & Light Company 2019 Request for Proposals for Full Requirements Wholesale Electric Power Supply in Delaware, Dated October 3, 2018" ("RFP"). Exhibit 3 is the clean version of the RFP. Exhibit 4 is the redlined version of the "Full Requirements Service Agreement" ("FSA"). Exhibit 5 is the clean version of the FSA. Exhibit 6 is the Delmarva De. SOS Stakeholder List.

References in the RFP to EnerNOC's auction process and agreements were changed to Enel X¹. The first new proposal (Exhibit 2 & 3) (RFP §1, 2.2 and 2.3) transitions the fixed price contracts for its

¹ Effective October 1, 2018, EnerNOC has rebranded to Enel X. All legacy EnerNOC agreements and auction platform functionality remains.

Residential and Small Commercial and Industrial from three-year to two-year laddered contracts². The second proposal (RFP §6) details the bidding schedule of the 2019 procurement year.

In the third proposal, in the FSA (Exhibit 4 & 5, Article 14.1), the Requirement for Performance Assurance has been increased from \$100,000 to \$250,000, this includes initial, subsequent and incremental requests. The sentence “Notwithstanding the above, Seller shall only be required to post the required Performance Assurance to the extent the amount of required Performance Assurance is equal to or greater than \$500,000.” is deleted.

The fourth proposal in the FSA (Exhibit 4 & 5 Article 14.3) includes the addition of an “Unrated” category in the Unsecured Credit Table to make it explicit that Sellers not rated by at least two of the named credit rating agencies (Standard & Poor’s Ratings Group, Fitch Investor Services or Moody’s Investor Services) are not eligible to receive unsecured credit.

Delmarva’s proposed changes were reviewed during the SOS Procurement Improvement Process webinar on August 8, 2018. No stakeholder raised any objections.

Staff reviewed the Filing with the proposed revisions to the FSA and the RFP as described above and found no issues.

² The Commission approved in Order No. 9064 dated May 23, 2017.